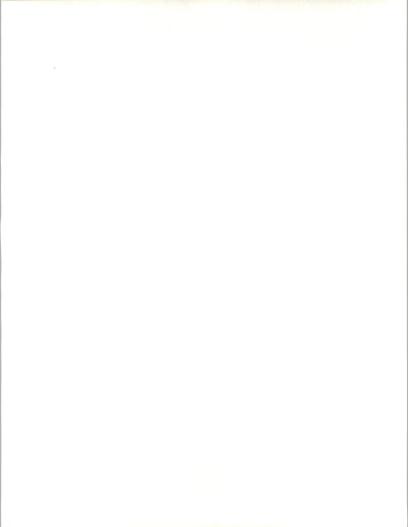
Federal IT Market Forecast, 1994-1998

Robert Deller Vice President INPUT



U.S. Federal Government Information Technology Budget FY 1994 Capital Investments/ 23% Operating 73% Operating 73% Operating 73% Operating 73% Obligations - \$26.2 B Contracts - \$18.7 B (71%) INPUT

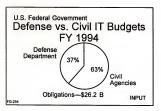
U.S. Federal Government

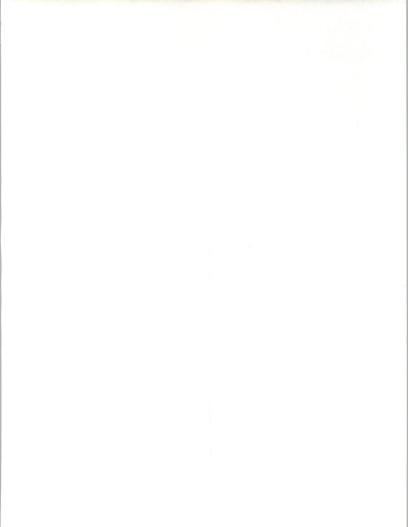
FY 1994 Budget Factors

- · Low overall growth
- · Commercial services stable
- · Capital investment down
- · Personnel spending impact

FG-253

INPUT





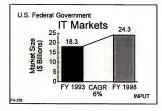
U.S. Federal Government Defense vs. Civil Budgets Defense IT less than half Key near-term hardware buys Most key opportunities in civil

· Defense decline to continue

FG.255

NPUT

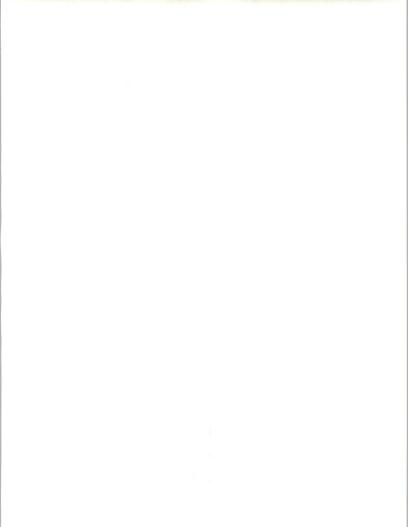
Notes

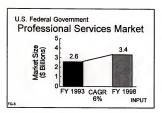


U.S. Federal Government Information Technology Market Factors

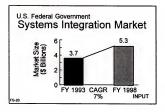
- •IT productivity emphasis
- Business process re-engineering
- · Government-wide reforms
- Use of IDIQ procurement

INPUT

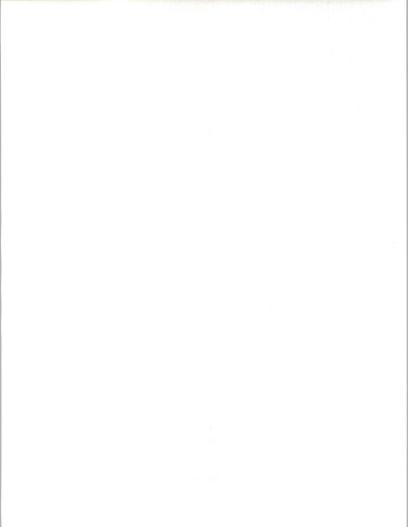




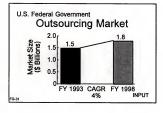




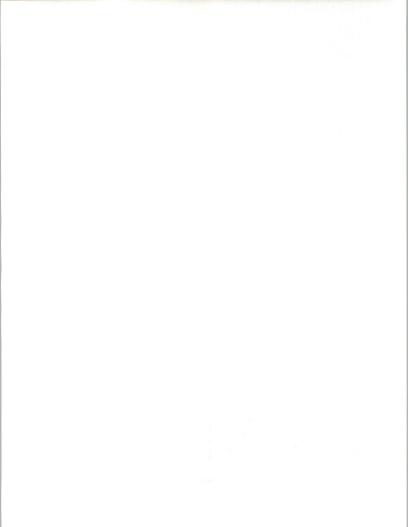
Page 3



U.S. Federal Government Systems Integration Market Delayed program implementation Stable professional services Increased software products Increased competition Defense reduction impact INPUT



U.S. Federal Government Outsourcing Market Long-term prospects Mission contracting In-house staff retention Service cutbacks likely



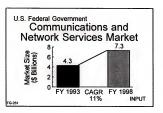
U.S. Federal Government Processing Services Market 250 200 173 173 100 FY 1993 CAGR FY 1998 1NPUT



Notes

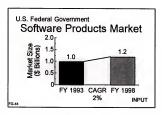
Overall market decline

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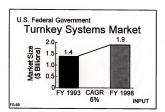


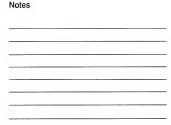
U.S. Federal Government Communications and Network Services Market • Separation of voice and data • Plans for data highway • Halt in vendor-provided information services • Network services growth



U.S. Federal Government Software Products Ma	arket
 Requirements contracts impact 	
Continued applications emphasis	
Standardized applications impact Software re-use in DoD	
Pricing impacts	
3-46	INPUT





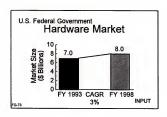


U.S. Federal Government Turnkey Systems Market

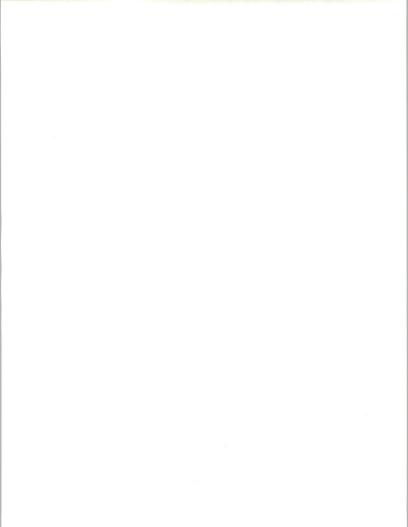
- Demand steady
- · Engineering applications lead
- · Document handling second
- New financial applications

FG-70

INPUT



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	Notes
U.S. Federal Government Hardware Market	
Growing workstation market Application downsizing trends Requirements contracts impact	
Networking hardware	
Supercomputer growth	
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Mission support emphasis	
Civilian market prospects	
Increased competition	
New technology initiatives Shift in agency priorities	

